Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions
Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
Highland Global Allocation Fund	91-6361402

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Highland Funds	1-877-665-1287	Info@HighlandFunds.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact
200 Crescent Court, Suite 700	Dallas, TX 75201

8 Date of action	9 Classification and description
09/30/2017	Non-Dividend Distributions Paid in 2017

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See Attachment	N/A	See Attachment	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14   Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Highland Global Allocation Fund paid non-taxable Return of Capital distributions to its shareholders per the attached schedule.**

15   Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The amount of non-taxable Return of Capital, on the attached schedule, represents an adjustment in the shareholders' tax basis in their shares held.**

16   Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The tax basis of the shareholders' shares is decreased by the per share amount of non-taxable Return of Capital, on the attached schedule, multiplied by the number of shares the shareholder owns.**

Part II   **Organizational Action** *(continued)*

17   List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶   **Pursuant to IRC Sec.**
301(c)(1), the portion of a distribution, which is a dividend (as defined in the IRC Sec. 316), is includible in gross income. Pursuant to IRC Sec.
301(c)(2), the portion of a distribution, which is not a dividend, shall be applied against and reduce the adjusted tax basis of the stock.

18   Can any resulting loss be recognized? ▶   **No loss will be recognized as a result of any non-taxable Return of Capital. A loss may be**
realized upon the disposition of shares.

19   Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **Pursuant to IRC Sec. 6045,**
brokers are required to reflect these adjustments in cost basis reporting for covered securities. If a broker is not required to provide cost
basis to a particular shareholder, the cost basis of the shareholder's shares should be adjusted as of the distribution date to reflect the
Return of Capital described above. The final amount of taxable dividends and non-taxable Return of Capital (i.e. non-dividend distributions)
will be reported to shareholders on their 2017 Form 1099-DIV.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ _____   Date ▶ _____

Print your name ▶ _____   Title ▶

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Peter Garrity		12/6/19		P01063407
	Firm's name ▶ State Street Corporation			Firm's EIN ▶	04-1867445
	Firm's address ▶ One Iron Street, Boston, MA 02210			Phone no.	617-662-3975

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Highland Global Allocation Fund
Form 8937 Appendix A
FYE: September 30, 2017
EIN: 91-6361402

2017 Distributions - Class A

Share Class	**Part 1, Box 10** CUSIP Number	**Part 1, Box 12** Ticker Symbol	**Part II, Boxes 14, 15, 16**					
			Record Date	Ex Date	Payable Date	Per Share Distribution	Per Share Return of Capital	Per share Taxable Dividend
Class A	43090E605	HCOAX	03/23/17	03/24/17	03/24/17	0.140525000	0.008981346	0.131543654
Class A	43090E605	HCOAX	06/22/17	06/23/17	06/23/17	0.110852000	0.007084862	0.103767138
Class A	43090E605	HCOAX	09/22/17	09/25/17	09/25/17	0.143562000	0.009175449	0.134386551

2017 Distributions - Class C

Share Class	**Part 1, Box 10** CUSIP Number	**Part 1, Box 12** Ticker Symbol	**Part II, Boxes 14, 15, 16**					
			Record Date	Ex Date	Payable Date	Per Share Distribution	Per Share Return of Capital	Per share Taxable Dividend
Class C	43090E803	HCOCX	03/23/17	03/24/17	03/24/17	0.126816000	0.008105166	0.118710834
Class C	43090E803	HCOCX	06/22/17	06/23/17	06/23/17	0.096052000	0.006138952	0.089913048
Class C	43090E803	HCOCX	09/22/17	09/25/17	09/25/17	0.128581000	0.008217972	0.120363028

2017 Distributions - Class Y

Share Class	**Part 1, Box 10** CUSIP Number	**Part 1, Box 12** Ticker Symbol	**Part II, Boxes 14, 15, 16**					
			Record Date	Ex Date	Payable Date	Per Share Distribution	Per Share Return of Capital	Per share Taxable Dividend
Class Y	43090E878	HCOYX	03/23/17	03/24/17	03/24/17	0.145759000	0.009315866	0.136443134
Class Y	43090E878	HCOYX	06/22/17	06/23/17	06/23/17	0.116432000	0.007441495	0.108990505
Class Y	43090E878	HCOYX	09/22/17	09/25/17	09/25/17	0.149244000	0.009538602	0.139705398